

**Introduced by Senator Wiggins**

February 24, 2009

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An act to add Section 97.79 to the Revenue and Taxation Code, relating to local government finance, and declaring the urgency thereof, to take effect immediately.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 277, as introduced, Wiggins. Property tax revenue allocations: Cordelia Fire Protection District.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. Existing property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. Under these provisions for the 1992–93 fiscal year, the formula for special districts reduces the amounts of property tax revenue deemed allocated in the prior fiscal year to certain special districts by 35%, not to exceed 10% of a district's total annual revenues for the 1989–90 fiscal year, as reported in a specified publication of the Controller. Existing law requires the Director of Finance to ensure that the amount

of these revenue reductions for all special districts equals \$375,000,000 for the 1992–93 fiscal year.

Existing law also requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund (ERAF) in that county for allocation to school districts, community college districts, and the county office of education.

This bill would, for the 2009–10 fiscal year, decrease by \$58,310 the total amount of property tax revenue deemed allocated to the Solano County ERAF for the Cordelia Fire Protection District for the prior fiscal year. This bill would also require that these allocation adjustments be incorporated into property tax revenue allocations for future fiscal years. This bill would also require the Director of Finance to ensure that this change does not result in an increase in the amount of a reduction under these provisions for any other special district. This bill would make findings and declarations regarding the necessity of a special statute.

By changing the manner in which property tax revenues are allocated by county officials in the County of Solano, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 97.79 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 97.79. (a) (1) Notwithstanding any other law, for the 2009–10
- 4 fiscal year, the total amount of ad valorem property tax revenue
- 5 deemed allocated by the Solano County Auditor to the Educational
- 6 Revenue Augmentation Fund for the Cordelia Fire Protection
- 7 District shall be decreased, for the prior fiscal year, by fifty eight
- 8 thousand three hundred ten dollars (\$58,310).

(2) Any reduction in the amount of ad valorem property tax revenues deposited in the county's Educational Revenue Augmentation Fund resulting from the implementation of paragraph (1) shall be applied exclusively to reduce the amounts that are allocated from that fund to school districts and county offices of education, and shall not be applied to reduce the amount of ad valorem property tax revenues that are allocated from that fund to community college districts.

(b) For the 2010–11 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, shall reflect, for a preceding fiscal year, the allocation adjustments required by this section.

(c) In making the determinations required by subparagraph (A) of paragraph (3) of subdivision (c) of Section 97.2 for the 2009–10 fiscal year and for each fiscal year thereafter, the Director of Finance shall ensure that the operation of this section does not result in a net increase in the total amount of the reduction required by Section 97.2 for any special district.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique fiscal pressures being encountered by the Cordelia Fire Protection District in providing vital fire protection services.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide immediate financial relief to the Cordelia Fire Protection District so that the district may provide vital fire protection services that protect the public peace, health, and safety, it is necessary that this act take effect immediately.

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